



CITY OF SUNNYVALE

CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT

July 1, 2003 - June 30, 2004



July 1, 2003 - June 30, 2004

INTRODUCTION

The Consolidated Annual Performance Evaluation Report (CAPER) is a U.S. Department of Housing and Urban Development (HUD) mandated report for all communities that receive Community Development Block Grant (CDBG), HOME, and HOPWA (Housing Opportunities for People with AIDS), and ESG (Emergency Shelter Grant) funding. The CAPER was prepared for the City of Sunnyvale by the Housing Division in compliance with HUD requirements. The CAPER reports Sunnyvale's success in meeting the housing and social service goals contained in the City's 2000-2005 Consolidated Plan.

Summary of the Consolidated Annual Performance Evaluation Report (CAPER) Process

As part of the Consolidated Planning process, the City is required to produce an Action Plan for each fiscal year following the approval of the Consolidated Plan.

The Action Plan establishes the community's objectives for meeting the housing and social service goals contained in the Consolidated Plan; identifies resources available within the community to meet Consolidated Plan goals; and describes a one-year plan for the intended use of these federal resources.

The CAPER evaluates the City's progress in carrying out priority projects identified in its five-year Strategic Plan and the Annual Action Plan. Overall, the City has met the majority of its annual goals as identified in its Strategic Plan. ¹ The CAPER reports on projects funded with Community Development Block Grant and HOME funds.

The CAPER for the City of Sunnyvale was prepared by the Housing Division staff in cooperation with local non-profit agencies, the Housing and Human Services Commission, and interested members of the public. Written comments were encouraged and any comments submitted have been addressed in the CAPER.

The CAPER is divided into three parts

- ⇒ Part One: Narrative Statements
- ⇒ Part Two: Financial Summary Report
- ⇒ Part Three: Charts and IDIS Reports for Citizen Review

¹ The Strategic Plan is a part of the City's Consolidated Plan which is a five year (2000-2005) planning document that identifies the City's overall needs for affordable and supportive housing as well as non-housing community development needs. Outlined in the Strategic Plan is a five-year strategy, which identifies the use of available resources to meet those identified needs. The Annual action Plan outlines a one-year plan for addressing the goals in the Strategic Plan.

Public Review of the Consolidated Annual Performance and Evaluation Report

The following public notice was published in the Sunnyvale SUN on September 8, 2004 indicating the start of the review and comment period of the City of Sunnyvale's Consolidated Annual Performance and Evaluation Report for FY 2003-2004. The Housing and Human Services Commission held a public hearing on September 22, 2004.

NOTICE OF PUBLIC REVIEW FOR THE CDBG, CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORTS (CAPER) AND HOME ANNUAL PERFORMANCE REPORTS (APR) FOR FISCAL YEAR 2003-2004

THIS NOTICE is to announce the availability on September 8, 2004 of the draft Consolidated Plan Performance Report (CAPER) for the period July 1, 2003 to June 30, 2004. The performance report outlines the use of federal funding resources covering the HOME Investment Partnership Program and the Community Development Block Grant (CDBG) Program in the City.

PUBLIC REVIEW PERIOD: The draft **CAPER** will be available for public review for a 15 day period beginning on **September 8, 2004** and concluding on **September 23, 2004**. Copies of the draft **CAPER** are available at the **Housing Division, Sunnyvale City Hall, 456 W. Olive Avenue, Sunnyvale, CA between 8:00 a.m. and 5:00 p.m.** or by telephoning (408) 730-7254. Written comments may be submitted during the 15 day review period and should be sent to the **City of Sunnyvale, Housing Division, 456 W. Olive Avenue, Sunnyvale, CA 94086**. For more information contact Annabel Yurutucu, Housing Officer, at (408) 730-7254.

The Housing and Human Services Commission will hold a **public hearing** on these matters on **September 22, 2003 at 7:00 p.m. in the West Conference Room, City Hall, City of Sunnyvale, 456 West Olive Avenue, Sunnyvale, CA.**

The City of Sunnyvale does not discriminate on the basis of race, color, religion, national origin, sex (including sexual harassment), handicap, or age in any of its policies, procedures, or practices. This nondiscrimination policy covers admission and access to, or treatment or employment in, the City of Sunnyvale programs and activities. Pursuant to the Americans with Disabilities Act, the City of Sunnyvale will make reasonable efforts to accommodate persons with qualified disabilities. If you have inquiries regarding the equal opportunity policies, the filing of grievances, or to request a copy of the City's grievance procedures or if you require special accommodations, please contact the Housing Division at (408) 730-7254 at least five days in advance of the meeting. TDD/TTY (408) 730-7501.

PART I

NARRATIVE STATEMENTS

Part One: NARRATIVE STATEMENTS

A. Assessment of Five Year Goals

Sunnyvale has a long tradition of innovative policies and actions directed towards providing a broad range and choice of housing for the community. Through the Consolidated Plan the City has concentrated on increasing and maintaining the affordable housing stock, identified as a critical need in Sunnyvale, as well as supporting human service agencies who provide necessary services in the community.

Affordable Housing

Rising home values, decreasing affordability, and the need to meet Regional Housing Needs Determinations set by the Association of Bay Area Governments (ABAG), stimulated the City to perform a thorough review of its Below Market Rate (BMR) Program in PY 2002-2003. This pro-active effort resulted in the revision of the City's BMR ordinance, which implements BMR policies for new residential construction. During the past year, the adoption of the revised BMR ordinance has led to continuous efforts focused on the establishment of operational procedures for management of the BMR Program.

The City opened its BMR Wait List for the BMR Ownership Program during February 2004. The wait list was closed for two years in anticipation of both ordinance and programmatic revisions. By March 1, 2004, a total of 825 applications for the BMR Wait List were received. Of this total, 724 applicants were placed on the wait list. Subsequently, a database was developed to better manage the wait list applications, the current BMR owners' information and all rental property BMR information. The database generated a "Priority 1" (live or work in Sunnyvale) wait list that was reduced to 40 households.

Simultaneously, the City experienced a surge of new residential development activity over the past year that will further increase the City's affordable housing stock. Staff has been negotiating with developers to complete development agreements to ensure compliance with BMR program requirements. Approximately 120 new ownership units will be added to the BMR Program in the next 24 months. In preparation for the anticipated number of BMR ownership units that will become available over the next two years, the top scoring applicants on the BMR Wait List have been invited to prepare themselves for the purchase of a BMR unit. These applicants will attend a series of BMR homebuyer educational workshops, pre-purchase education workshops and will obtain pre-qualification from a lender. The City is currently assisting five first time homebuyers under the BMR Ownership Program.

The City recognizes the need for all types of housing; however, the Consolidated Plan objectives focus on the creation and preservation of rental housing. Specifically, identified as a high priority need, is the preservation of existing subsidized units that are at-risk of converting to market rate units. This past year, the City awarded CDBG and HOME funds to Christian Church Homes for the acquisition of Plaza de los Flores to preserve 100 units of affordable senior housing from going to market rate.

Funds were also awarded as part of the 2004/05 Action Plan to First San Jose Housing for the acquisition of an existing motel site on W. Weddell Drive in Sunnyvale. The developer proposes

to convert the property into 44 units of affordable rental housing to households at incomes below 40% of AMI with rents limited to 30% of household income over the next 40 years.

Sunnyvale continues to provide rehabilitation programs, including CDBG loans and grants for single family, multi-family and mobile homes. The City's Rehabilitation Loan Program expended a total of \$364,024 in CDBG funds toward the rehabilitation of 20 homes. Twenty-six new loans were funded including four emergency loans, four paint loans and one paint grant. Overall, a total of twenty rehabilitation projects were completed during the program year. Also, those persons with special needs were able to rehabilitate their homes in a fashion that made them accessible and usable for themselves. Under the Home Access Program, over \$33,884 was expended to retrofit 21 homes.

Under the City's Multi-Family Rehabilitation Loan Program, the City awarded \$400,000 for exterior rehabilitation of 211 units at Homestead Park, an affordable rental housing complex. The project is currently underway.

Community Development (CD) Strategy

Prepared in PY 2002, the Community Development (CD) Strategy serves as a guide for the use of Sunnyvale's limited resources to achieve the maximum possible community development benefit over the next five years in the City. The CD Strategy identified specific needs in the city and areas with a high level of concentrated need, which has directed expansion of Housing Programs and Neighborhood activities. Over the past year, these included acquisition, multi-family rehabilitation, preserving at risk units, Neighborhood Support including neighborhood improvements and First Time Homebuyer support.

Addressing the CD Strategy, the following activities were undertaken during PY 2003/04 to enhance and expand the effectiveness of city programs.

In an effort to improve the physical appearance of action area neighborhoods identified in the CD Strategy, the City allocated CDBG funds for street trees, streetscape improvements, neighborhood clean-ups, landscape designs, and other targeted projects under the Neighborhood Enhancement Program. The City currently has a pilot program within the Lakewood Village Neighborhood. This program has a designated target area comprised of 95 single-family households and the Neighborhood Preservation division works proactively with each resident and property owner in the area to correct all code violations and to make other aesthetic improvements to properties and to the neighborhood. During the 0304 program year, funds were committed to 13 property owners to receive a landscape grant for the improvement of their property. A total of \$64,081 in CDBG funds was expended under the program.

The most significant accomplishment was the development of a program to encourage non-profit housing development within the neighborhoods outlined in the Community Development Strategy. Staff requested proposals from Community Housing Development Organizations (CHDOs) to engage in activities designed to lead to the development of projects that create affordable homeownership opportunities and preserve rental housing opportunities in three of the City's Multi-Family Neighborhood Action Areas. Staff obtained technical assistance (funded by HUD) to determine the methodology to utilize in order to proceed. Funding to the agencies would be considered CHDO "operating" funds, and this type of funding and activity had not been used by Sunnyvale **or any other jurisdiction within Santa Clara County** for this purpose. The types of projects that were anticipated include; Multi-Family Housing Rehabilitation,

acquisition and rehabilitation, including assembly of fourplexes and smaller apartment projects into single ownership, Condominium Conversion, Homebuyer Assistance, and acquisition and construction projects. CHDO operating funds were awarded to two CHDO's totaling \$35,000.

Human Service

The City provided funding through CDBG for a number of support services to the elderly, homeless and other persons with special needs. Relative to support services, in order to ensure the viability of all affordable housing projects, CDBG funds were also allocated to projects that provided housing-related support services. These projects have kept the City on track in reaching its three and five year goals well within the required timeframe. The City expended a total of \$293,668 towards public service agencies, assisting 9,844 individuals and or households.

Public Facilities

The City expended a total of \$100,000 in CDBG funds for the on-going retrofit of City curbs to comply with ADA requirements. A total of 51 curbs were retrofitted.

B. Actions to Affirmatively Further Fair Housing

The City continues to support the purpose and goal of fair housing and contracted with Project Sentinel to promote equal opportunity in housing in fiscal year 2003/04. The contract with Project Sentinel is a collaborative effort with the cities of Mountain View and Palo Alto. Services included information and referral, community outreach and education, discrimination complaint checking and investigation, legal referrals and assistance in resolving complaints. The City also contracted with Project Sentinel and expended \$102,905 of City General Funds to provide neighborhood dispute resolution services to the community, tenant/landlord information services, referral and mediation.

Fair Housing

During the reporting period, Project Sentinel (PS) conducted, and collaborated on a number of educational community forums and outreach activities covering fair housing and discrimination issues, including:

- Completed a series of trainings for mobile home park occupants. The five sessions covered fair housing issues, predatory lending, mobile home law, and credit issues. Approximately 300 residents attended these workshops that were specifically designed for Sunnyvale.
- Wrote a column titled Rent Watch for publications around the Bay Area and California, which appears on a regular weekly and monthly basis.
- Staffed an information table at the Abilities Expo of Northern California from November 14-17, 2003
- Translated brochure "Housing for Everyone" into Spanish.
- 73 Project Sentinel transit posters ran on the Caltrain from San Francisco to San Jose.

- Attended quarterly Northern California Fair Housing Coalition meetings.
- In June, conducted tester training to increase the tester pool available for North Santa Clara cases. 37 testers were trained throughout PS's service area for a total of 216 testers in their database.
- PS met with the advisory panel for PS' Lawyer Referral Service (LRS). The LRS serves all of Northern California in providing consultation, advocacy and litigation to persons who experience housing discrimination, and to agencies like PS, who advocate for fair housing rights.
- Organized a North Santa Clara County fair housing poster contest for 4-8th grade students in after-school programs for Fair Housing Month in April. Contest winners were presented with prizes at the April 28, 2004 Housing and Human Services Commission. The Poster Contest was the result of collaboration between Mountain View, Sunnyvale, Palo Alto, and Project Sentinel, with sponsorship by Tri-Counties Apartment Association and Silicon Valley Association of Realtors. Winners and runner-up entries were displayed in City Hall from May through June. Copies of posters are appended to this report (Appendix B).
- PS staffed a fair housing month info booth at the HUD office in San Francisco. PS distributed brochures and flyers and answered questions about fair housing.

During fiscal year 2003/04, Project Sentinel investigated 32 cases of reported discrimination in Sunnyvale. Of the 32 cases investigated, 15 cases had a positive outcome (successful conciliation, referred to attorney, referred to HUD, or counseled/assisted, 2 not stated and 15 are still pending. The 32 cases were in the following categories:

| | | |
|----------------------|---------------|-------------|
| Handicap/Disability | 13 cases | 40.7% |
| Familial Status | 8 cases | 25.0% |
| Gender | 1 case | 3.1% |
| Race/National Origin | 9 cases | 28.1% |
| Source of Income | <u>1 case</u> | <u>3.1%</u> |
| | 32 cases | 100% |

Fair Housing Beneficiary Information for PY 2003/2004

| Total Number Benefiting from Activity: 32 | | |
|---|---------|-----------|
| Number of Female-Headed Households: 0 | | |
| | # Total | #Hispanic |
| White | 23 | 7 |
| Black/African American | 5 | |
| Asian | 2 | |
| American Indian/Alaskan Native | | |
| Native Hawaiian/Other Pacific Islander | | |
| American Indian/Alaskan Native and White | | |
| Asian and White | | |
| Black/African American and White | | |
| American Indian/Alaskan Native and Black/African American | | |

| | | |
|---------------------|-----------|----------|
| Other- Multi-Racial | 2 | 1 |
| Total | 32 | 8 |

| | |
|-------------------------------------|-----------|
| Total Beneficiaries: | 32 |
| Total Low/Mod Beneficiaries | 31 |
| Percentage of Low/Mod Beneficiaries | 96.88% |
| Total Low-Income | 10 |
| Total Extremely Low-Income | 21 |

Landlord-Tenant Relations

The City funded Project Sentinel with General Funds to provide mediation services for the purpose of providing tenant/landlord information, referral and mediation, benefiting Sunnyvale tenants, landlords and mobilehome residents. Project Sentinel documented 1,010 requests for information and referral to Sunnyvale landlords and tenants. 362 new cases were opened this year and 99% of mediations and conciliations showed compliance with the agreement. The agency continues to increase outreach activities, which are specifically focused on the Sunnyvale area.

Specific Outreach Activities:

- On August 26, the agency's Director of Dispute Resolution Programs was the featured speaker at the Sunnyvale Rotary luncheon attended by city council members and other local dignitaries. The presentation included a full description of the agency's services with distribution of program literature.
- On October 8, the Sunnyvale bilingual case manager made a Spanish language presentation and distributed brochures at the Conexiones Program at Sunnyvale Community Services.
- On October 7, the agency's Director of Dispute Resolution Programs described the agency's services to the Executive Director of PACE, a non-profit that administers housing programs for autistic children throughout Santa Clara County.
- On November 5, the Sunnyvale case manager distributed a total of 200 program brochures at the Public Safety, Library and City Hall offices.
- The agency submitted material for the tenant/landlord column, "Rent Watch," which is printed in the San Jose Mercury News, the San Francisco Chronicle, *The Filipino Guardian*, and in the Tri-County Apartment Association's magazine, *Apartment Management*. The column is now also submitted for publication in the Spanish bilingual paper *La Voz*, which is distributed throughout Northern California.

Community Issues and Neighborhood Disputes

- Mobile home Workshops

Each year staff and City Council have received numerous inquiries and complaints from residents of mobile home parks. The City's ability to respond is limited, because the regulation of mobile home parks is largely under the jurisdiction of the State. The nature of the inquiries and complaints suggested that mobile home residents are unfamiliar with their rights and constraints under State law, and are unclear about the City's limited regulatory authority. Therefore, staff planned educational workshops to mobile home owners during the spring of 2004. The goal of the workshops was to provide mobile home owners accurate information about relevant regulations and to increase their understanding of the City's limited role in mobile home park issues.

The process began with a stakeholders meeting in December with a representative group of owners and managers of mobile home parks throughout Sunnyvale. The meeting provided an opportunity to review and comment on a proposed outline for the workshops, and enabled staff to incorporate their suggestions in the workshop content.

Project Sentinel conducted five workshops providing information about the laws governing mobile home ownership, maximizing credit and finance options, and learning about anti-discrimination protections, from February through June 2004, and a video of the workshop was made for future use. Approximately 300 mobile homeowners attended the workshops.

➤ **BMR Workshops**

Project Sentinel designed and conducted 8 workshops for the City's current Below Market Rate homeowners attended by a total of approximately 164 homeowners. These workshops provided information on how to identify predatory lending practices and restrictions of the Below Market Rate Program. Project Sentinel will continue to provide workshops that will include information on BMR program issues, predatory lending, and credit issues. The Project Sentinel presentation was captured on a video that has been presented to 12 BMR homeowners.

Beyond the City's funding of Project Sentinel to promote equal opportunity in housing, Sunnyvale was involved in the following activities to affirmatively further fair housing during FY2003/04:

Coordinate with other Organizations to Address Fair Housing Issues

The City recognizes that its resources to support fair housing services are limited and that cooperation and collaborating with other agencies and jurisdictions is a high priority. The City undertook the following activities:

- City staff organized a focus group with other Santa Clara County CDBG entitlement jurisdictions and service providers to determine the composition and mission of a Countywide Fair Housing Task Force. The newly created Fair Housing Task Force is comprised of representatives from: Cities of Milpitas, San Jose and Santa Clara; Santa Clara County; Legal Aid Society of Santa Clara County; HUD; DFEH; Fair Housing Law Project; Bay Area Legal Aid; Project Sentinel; Echo/Mid-Peninsula Citizens for Fair Housing; and a consultant representing Cities of Morgan Hill and Cupertino. The Task Force has held three meetings, established a structure, identified areas of interest and made assignments for work efforts.

- Supported the efforts of the Housing and Human Services Commission to participate in the City's fair housing activities and worked with other local organizations.

Other Actions to Affirmatively Further Fair Housing

- Allocated CDBG and City funding for handicapped access and accessibility improvements, translated public documents in the languages used by City residents, and included a fair housing component in its recent series of homebuyer education workshops for city employees, local teachers and child care workers.
- The City's web-site includes a link for residents to report discrimination complaints directly to HUD.
- In the implementation of the housing rehabilitation programs, the City of Sunnyvale actively pursues an affirmative marketing plan. The loan programs are available to all residents of the City of Sunnyvale and minority participants are actively sought. The City will be updating its brochures to include translations into various languages addressing the Sunnyvale population. The City also understands that to further housing opportunities for its diverse population, it must continue to provide housing programs in the City which preserve and expand the existing housing stock especially affordable homeownership opportunities and rental housing. The narrative of the Consolidated Plan's CAPER illustrates that the City's HOME and CDBG funds were directed to this goal.
- Developed a curriculum with Project Sentinel tailored to reeducate BMR homeowners on the restrictions of the BMR program. Eight workshops were held and attended by 164 owners. One workshop was translated by two translators into Mandarin and Cantonese.

Analysis of Impediments to Fair Housing Choice (AI)

The City's Analysis of Impediments to Fair Housing (AI), completed on January 2003, meets the requirements of 24 CFR 570.904(c)(1) for entitlement jurisdictions under the Community Development Block Grant (CDBG) program administered by the U.S. Department of Housing and Urban Development (HUD). The next update for the AI will be in 2005/06.

C. Affordable Housing

Sunnyvale has continued to demonstrate a commitment to increasing its housing supply and has done so by the services that it offers; the overall effective management of its programs; its policies as well as its funding commitments that support the development, maintenance, and improvement of affordable housing in Sunnyvale. Sunnyvale is known as a City, which encourages development and will encourage developers to take advantage of appropriate density bonuses where possible. The City demonstrates its commitment by providing the staff and support that is necessary to encourage housing development and most importantly, the City simplifies the whole process in its Permit processing system, which remains one of the most highly recognized, efficient and effective systems in the Bay area. The National League of Cities has recently named the Building Division's E-OneStop as the Silver Winner (in the 50,001-150,000-population category) for the 2004 James C. Howland Awards. This award recognizes communities that have enriched the quality of their cities' environment through innovation and collaborative planning.

In line with the City's commitment to increasing the housing supply, the City continues to make substantial efforts and progress towards the completion of the following projects:

Non Profit Development

Moulton Plaza (Homestead Park - Phase 2-New Construction) 66 Units

Negotiations of loan documents and terms for the new construction project have been completed. A groundbreaking ceremony with the Mayor and Council participation took place in June 2004. See Appendix C for picture and thank you letter. The transfer of funds and close of escrow occurred in August 2004 and construction will begin in September 2004.

Plaza De Los Flores(Preservation) 100 Units

Negotiations of loan terms between CalHFA, Christian Church Homes and the City are near completion. Efforts on this project will continue during 04/05 with final loan negotiations between the City, State HCD and CalHFA; a report to Council for approval of additional commitment of City Housing Funds; and preparation of final documents and expenditure of funds. The acquisition of Plaza de los Flores will preserve 100 at-risk units of senior housing from going to market rate.

940 West Weddell (Conversion) 44 Units

Staff reviewed initial proforma and conducted negotiations of loan amount and is continuing to have discussions with the developer, First Community Housing. The developer has undergone Council review and has obtained City approvals; however, at this time it is not clear whether the project will go forward due to actions that may jeopardize tax credit financing.

Fair Oaks and Garland Avenue (New Construction) 80 Units-Senior

Staff continued to support the efforts of Charities Housing to obtain approval by the County to construct new senior rental housing adjacent to the expansion of the County medical clinic on the County owned site. In August 2003, Staff prepared a letter of support that was directed to the Board of Supervisors, and met with County staff and City staff to continue to encourage the County to provide for the ability to build the housing at the site. During July 2004, council approved the request by Charities Housing for a pre-development loan that would provide Charities with additional resources to continue to work with the County on the development of housing at the site.

Section 8

The Housing Authority of the County of Santa Clara administers the Section 8 Rental Assistance Program for the City of Sunnyvale. There are currently 135 people on the waiting list for Section 8 vouchers. The Housing Authority reported that 647 households in Sunnyvale received Section 8 rental assistance in fiscal year 2003/04

**THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
Section 8 Program
FY 2003**

| |
|-------------------------------|
| Distribution by Status |
|-------------------------------|

| Disabled | Elderly | Disabled & Elderly | Non-Disabled/ Elderly | Total |
|----------|---------|--------------------|--------------------------|-------|
| 20 | 24 | 11 | 80 | 135 |

| Distribution by Ethnicity | | |
|---------------------------|--------------|-------|
| Hispanic | Non-Hispanic | Total |
| 36 | 99 | 135 |

| Distribution by Race | | | | | |
|----------------------|-------|-----------------------------------|-------|----------------------------------|-------|
| White | Black | Amer Indian/ Alaskan Native | Asian | Hawaiian/ Pacific Islander | Total |
| 75 | 20 | 3 | 37 | 0 | 135 |

SECTION 8 PARTICIPANTS
WITH CITY OF SUNNYVALE
ADDRESS

| Distribution by Status | | | | |
|------------------------|---------|--------------------|--------------------------|-------|
| Disabled | Elderly | Disabled & Elderly | Non-Disabled/ Elderly | Total |
| 109 | 143 | 81 | 314 | 647 |

| Distribution by Ethnicity | | |
|---------------------------|--------------|-------|
| Hispanic | Non-Hispanic | Total |
| 133 | 514 | 647 |

| Distribution by Race | | | | | |
|----------------------|-------|-----------------------------------|-------|----------------------------------|-------|
| White | Black | Amer Indian/ Alaskan Native | Asian | Hawaiian/ Pacific Islander | Total |
| 300 | 123 | 10 | 213 | 1 | 647 |

| Distribution by Income | | | | |
|------------------------|----------|-----|----------|-------|
| Extremely Low | Very Low | Low | Moderate | Total |

| | | | | |
|-----|----|----|---|-----|
| 571 | 63 | 12 | 1 | 647 |
|-----|----|----|---|-----|

Below Market Rate

A major effort has continued on the establishment of revised operational procedures for the management of both the rental and ownership components of this Program. A significant expansion of the number of BMR ownership units is anticipated over the next two years. While this is extremely positive for the community, it has required a substantial investment of staff resources. This includes negotiations to complete development agreements with each of the 20 or more developers of properties to ensure compliance with BMR program requirements, preparation and recording of documents, and the subsequent sales to qualified homebuyers.

The following major milestones occurred this year:

- Administrative Procedures for Developers and the Homeownership Program were completed, printed and posted to the website, and draft procedures for BMR Rental Projects were distributed in June to all rental property owners and management. A copy of the Homeownership Administrative Procedures was mailed to all current BMR owners and to all wait list applicants.
- Staff opened the Wait List on February 1 to March 1, 2004 to receive applications. An extensive outreach effort was conducted including multiple ads in the Sunnyvale Sun and the San Jose Mercury News, distribution of Public Service Announcements (PSAs) to local newspapers, radio and television stations, distribution of flyers in City employee paychecks, at the four school district offices that serve Sunnyvale. The Communications Officer assisted by conducting five television and radio interviews. Staff distributed a direct mailing of 7,000 flyers to persons on our mailing lists, to local childcare service providers, and to participants of Sunnyvale's first-time homebuyer workshops. Flyers and 100 posters were distributed to the Chamber of Commerce, Library, Columbia Neighborhood Center, Credit Union, Senior Center, and Neighborhood Associations and to all Boards and Commissions. An announcement was presented at a Council meeting. A fact sheet and application were posted to the website, with an announcement on the main City website. Staff responded to a combined total of over 500 phone calls, emails and inquiries at the One Stop Counter during the month of February.
- A total of 825 applications were submitted, yielding a total of 724 bona fide applications.
- A comprehensive database was developed to manage the wait list applications, all BMR owners' information and all BMR rental property information. The database provides a better way to manage information, conduct audits, retrieve relevant program data, and conduct mailings. It also includes an automated procedure to calculate and recalculate the preference points associated with ranking of wait list positions.
- Housing Division developed a curriculum with Project Sentinel tailored to reeducate BMR homeowners on the restrictions of the BMR program. Eight workshops were held and attended by 156 owners of 120 units. One workshop was translated into Mandarin and Cantonese. The workshop included a discussion of BMR program restrictions, credit education and predatory lending practices. The workshop was videotaped to provide a continuing resource for new program participants and for owners requesting approval to refinance their property. A notebook with program information, a certificate and an affidavit

was presented to attendees to assist them in continued program compliance. Owners have been informed that the City will only approve refinance actions for owners who have viewed the video or attended the workshop. Since November 2003, 15 people, including prospective buyers, representatives of lenders, and realtors, have viewed the videotape to enhance their comprehension of the programmatic restrictions. An ongoing investment in pre-purchase and post-purchase educational programs about BMR Program requirements is essential and will help to reduce future enforcement costs because home owners and rental property managers will be more familiar with program requirements.

- Staff conducted the first workshop with BMR rental property managers to review the revised Administrative Procedures for BMR rental properties and the revised reporting requirements. Many issues related to the annual reporting will require continued staff resources during 2004/2005. After the workshop, they were required to submit their first annual report of BMR tenants and units by the end of June. Field reviews of these reports will be conducted by Housing staff during the summer months.
- Staff recommended and Council adopted three new user fees to defray the costs associated with the services provided to process purchase applications, process refinance requests, and process certification of eligibility for BMR renters. Staff completed a study of fees for these activities. Staff surveyed other local jurisdictions operating similar programs to determine the level of support charged for similar fees, as well as analyzing the estimated amount of staff time necessary to accomplish the specific tasks.
- Lastly staff completed the Below Market Rate Home Ownership Program audit, which resulted in 16 forced sales and one additional property requiring litigation in order to force the sale.

Although much has been accomplished, there is more improvement that is required and will be addressed during the upcoming year. Refining the implementation of the Home Ownership program component will be critical in the coming year when staff is expecting to process 40 to 60 sales.

Despite the lack luster economy and the current vacancy rate at 4.77% for apartment complexes in Sunnyvale, a substantial decrease from 5.81% last year, opportunities continue to exist in the development of rental and ownership housing.

The City is continuing to work with developers of 19 projects that are beginning the application process or beginning construction and will be providing below market rate rental and ownership units. These new projects will provide at least 120 BMR Purchase and 16 BMR rental units over the next two years. There are a total of 140 units in the pipeline under the BMR Program. Of these amounts, 34 purchase units and 9 rental units will soon be available for occupancy this year. Two developers have contacted the City to obtain names of potential buyers from the BMR Wait list that was recently established.

Implementation of the First Time Homebuyers program is underway. Efforts to design a program that will provide assistance to BMR renters into homeownership through education, IDA accounts and down payment assistance will occur in early 2005.

Housing Trust Fund

With the housing problem in Sunnyvale escalating for residents and prices being among the highest in the country, Council last year unanimously passed the motion to approve a second contribution of \$500,000 to the HTF.

The Housing Trust provides loans to non-profit developers who build affordable multi-family rental housing and/or homeless/special needs housing. The HTF has made a preliminary commitment of 500k for Plaza de las Flores. The Housing Trust also provided funding to Moulton Plaza, with a loan of \$500,000.

The HTF was instrumental in one of the largest and most successful community fundraising campaigns ever conducted in Silicon Valley. Tapping into this source, the Housing Trust of Santa Clara County's First Time Homebuyer Program issued 12 loans (\$6,500 each) assisting Sunnyvale residents with closing costs, an investment of \$78,000 and leveraging \$4,180,500. The average purchase price of the homes was \$354,875.

Housing for Public School Employees, City Employees and Child Care Teachers (HPCC) Program

The importance of the City to provide affordable housing continues to be a challenging task due to the continuing rise in home values. The City continued its efforts in the *Housing for Public School Employees, City Employees, and Child Care Teachers (HPCC)* program to assist low to moderate income people who work for the public sector (such as the City of Sunnyvale, local school districts, and child care teachers) find affordable housing options near to their workplace.

The City continues to provide educational events for public employees, school district employees, and child care teachers that will teach them how to manage their personal finances and take the steps necessary to get ready for home ownership. By year-end, two homebuyer education workshops were held with 44 participants and 4 security deposit loans totaling \$7,884 were made.

D. Continuum of Care

Actions to implement a Continuum of Care strategy for the homeless has been, through Sunnyvale's continued support, utilizing CDBG funds for providers of shelter and homeless services which include the following:

Sunnyvale Community Services: provides emergency services, rental assistance, as well as food and clothing for low-income residents in crisis at risk of becoming homeless.

Cupertino Community Services: provides the rotating shelter in churches and support services such as food, rental assistance, medical assistance and housing and gas vouchers.

Emergency Housing Consortium: provides emergency shelter and support services in a number of locations in the County as well as operating the winter shelter in the Sunnyvale armory. The Reception Center is an all year round 24 hour/day homeless shelter and cold weather shelter.

EHC also provides transitional housing for families and single people.

Support Network for Battered Women: provides shelter and support services for victims of domestic violence.

Clara Mateo Alliance: provides 59 beds of year round shelter and supportive services for homeless individuals, couples and families who are actively working toward achieving their goals and overcoming homelessness.

Homeless Prevention

Santa Clara County Homeless Collaborative: The City cooperated with and participated in the County-wide Homeless Collaborative program in their efforts to find funding for shelter and services to the homeless and other housing projects. This included efforts to obtain greater funding for the Emergency Rental and Mortgage Assistance Program operated by the Emergency Assistance Network of which Sunnyvale Community Services is the local provider. Last year, the Housing Trust provided a grant of \$6,255 to the Emergency Assistance Network. Thirty-eight Sunnyvale residents were provided rental assistance from this grant.

Sunnyvale will also continue to work with other cities in the County to increase the number of year-round shelter beds and other services for homeless individuals and families. The Collaborative has successfully completed grants for other projects targeted to the homeless in the County

Supportive Housing for Non-Homeless Persons with Special Needs

Relative to the special needs of persons that are not homeless but require supportive housing is the City's partnership with the Santa Clara County HIV Planning council and the other entitlement jurisdictions in Santa Clara County for funding of Housing Opportunities for Persons with AIDS (HOPWA). The City of San Jose administers the HOPWA funds for the county.

HOPWA funding was provided to Health Connections-Aids Services (HCAS), a housing and service provider. The agency provides assistance to persons with HIV/AIDS in accessing private and public benefit/entitlement programs as well as housing subsidies and support services to obtain long-term housing. HCAS provides individual counseling, case management and psychosocial assessments to ensure stable housing as well as short term emergency assistance with rent and utility expenses. Eight clients received rental/utilities assistance and 47 clients were provided with supportive sources. The agency received a total of \$763,390 in funding.

E. Other Actions

Obstacles to Meeting Underserved Needs

The City intends to continue to seek opportunities to provide housing for residents in the community that have been identified in need. The primary barriers to meeting the underserved need is the limited funds that are available for affordable housing and that the City has extremely limited land available for new construction.

Foster and Maintain Affordable Housing

Community Development (CD) Strategy

The City is dedicated to preserving its housing and its neighborhoods in the interest of all current and future citizens. During this first year of the five-year CD Strategy, the Strategy has continued to serve as a valuable resource which has directed expansion and ongoing review of existing programs. In terms of maintaining the affordable housing programs established by the City, Staff will review alternatives to assist tenants of BMR rental units terminating during the next five years, including ways to assist them into home ownership. One of these alternatives will include the creation of an Independent Development Account (IDA) program to assist tenants to save funds for a down payment towards a home purchase and down payment assistance loans coupled with pre-purchase education.

Eliminate Barriers to Affordable Housing

The City has implemented a number of new residential zoning districts to encourage smaller more affordable single family homes to be built. Thus, the City will continue to identify, encourage and publicize private activities and programs, which will create affordable housing opportunities, including rental and home ownership, and continue to work with non-profit community groups to create affordable housing. The City will continue to encourage and assist non profit housing organizations and the Housing Authority to develop new low and extremely low-income rental units, by identifying sites and potential surplus sites and supporting development on these sites. Committed to increasing the housing supply, the City has identified potential housing opportunity sites. The Downtown and Transit accessible Sites were identified in the Downtown Specific Plan. In addition, Citywide sites, and redevelopment sites have been identified.

Overcome Gaps in Institutional Structures and Enhance Coordination

The institutional structure includes: private industry, non-profit organizations, and public institutions that deliver the programs outlined in the housing strategy.

Sunnyvale has worked closely with the State, local jurisdictions, and private agencies to coordinate strategies and resources in the community. Specifically, Sunnyvale has maintained its Housing Element in compliance with State regulations. The City supports efforts by the County and surrounding cities, the Housing Authority of Santa Clara County, and local non-profit organizations in their efforts to provide adequate and affordable housing for residents of Santa Clara County and specifically residents of the City of Sunnyvale. The City participates in regional efforts to leverage private and local government resources with federal resources for the provision of affordable housing and/or supportive housing and services for residents of the regional community.

Sunnyvale works with the County of Santa Clara to secure mortgage credit certificates for first time homebuyers as well as bond financing and refunding of tax free mortgage revenue bonds for rental housing. Since most support service agencies are County-based Sunnyvale cooperates with the other jurisdictions to ensure that there is no duplication of services and that there is as efficient a delivery system as possible. The City continues to cooperate with the County and the County Housing Authority on their applications for funding of various programs,

as well as coordinating the delivery of social services throughout the community. Sunnyvale also continues to work closely with the County and Emergency Housing Consortium on securing State funds to preserve the homeless shelter located in the National Guard Armory.

This past year, the City initiated another collaboration with other CDBG entitlement jurisdictions within the county to prepare for the Consolidated Plan. Staff prepared a Request for Proposal, including a detailed timeline and scope of work for qualified consultations to propose a work effort and costs. An interjurisdictional team provided a review of the proposals received and acted as an interview panel. Staff from the County of Santa Clara and the City of Santa Clara participated. A consultant firm was selected and Council approved the City contract in July.

However, as part of Sunnyvale's preparation for the Consolidated Plan process, staff took the lead role of an unplanned process along with several other city and county staff. Innovation, previously not undertaken, an unofficial consortium was formed to select a consultant to assist in the preparation of a Countywide Consolidated Plan. This Countywide ConPlan will contain an assessment of Housing and Homeless conditions throughout Santa Clara County and will identify the shortfalls of special facilities for various needs groups. It will also include a countywide telephone survey to encourage participation by residents who may not participate in more traditional community participation efforts.

Staff took the lead role in coordinating this effort, and in negotiations with the consultant proposal, and the participation of the cities of San Jose, Mountain View, Palo Alto, Santa Clara, Cupertino, Gilroy and the County of Santa Clara.

Lead-Based Paint Hazard Reduction

The City is ensuring that the requirements for notification, evaluation and reduction of lead-based paint hazards in projects receiving Federal assistance are established. Information regarding lead-based paint hazards is given to all property owners and residents prior to any rehabilitation work being undertaken. The City also works closely with the County of Santa Clara Environmental Services to cooperate with any lead abatement education projects in the City.

The City believes that the long-term impact of the substantially increased costs required by the Lead-Based Paint Regulation will reduce the number of rehabilitation projects per year.

Staff continues to be kept abreast of any training or updates on the new regulations. The City requires that all contractors attend Lead Paint Safety training before receiving notification of future bid openings.

Compliance with Program, Comprehensive Planning Requirements and Monitoring

The City continues to review on an annual basis, the progress made in achieving the goals outlined in the Consolidated Plan and continues to follow the monitoring requirements for the use of federal funds as directed by HUD.

All reporting requirements and deadlines have been met. As of April 30, 2004 the timeliness ratio of expended funds was at .59 well below the 1.5 required by HUD. At the end of the program year the balance of unexpended funds has again been reduced to .41 and the year will begin with the City at 1.41 meeting HUD's timely expenditure of funds requirement 10 months in advance. The actions that continue to contribute to this greatly improved position are; the

revolving loan funds to properly manage program income, the ongoing management of the federal budgets, and the timely completion of funding to affordable housing projects.

At the beginning of each program year agreements are prepared with subrecipients outlining the responsibilities involved with the receipt of federal funds and the performance standards which will need to be met. During the program year subrecipients are required to submit quarterly performance reports describing which program goals have been achieved on a quarterly basis. The City continues to perform annual on-site monitoring of its subrecipients consisting of a review of the following: Agency Administration, Fiscal Management, and Program Management. The subrecipient will maintain documentation of performance indicators available for inspection, with an audit trail from source document worksheets to reports and will submit annually. At year's end, the City prepares annual year-end evaluations for the use of CDBG funds by outside funding agencies, which are submitted to the Housing and Human Services Commission for evaluation during the Outside Group Funding application process.

Reduce the Number of Persons Living Below the Poverty Level

The City of Sunnyvale is the founding city of the NOVA Job Training Consortium, and provides the administrative direction and support for NOVA.

In partnership with the NOVA Workforce Board, the City collaborates with the other six consortium cities to help our residents and businesses acquire new skill sets, enhance employment prospects, and advance career opportunities. Each year the NOVA program serves over 7,000 youth and adults through a wide variety of programs and funding sources. Its annual budget is approximately \$12 million, and it has been continuously recognized for its outstanding performance.

NOVA's projects involving federal investments that reduce poverty are:

1. Neighborhood Self Sufficiency Centers: Using Federal welfare-to-work monies, NOVA and the City of Sunnyvale created Neighborhood Self Sufficiency Centers to provide community support to the Federal welfare reform initiative. These Centers are family-friendly, offering job placement and retention services to welfare recipients entering the labor force. There are numerous programs and support services for the employed and the unemployed, for both adults and their children. The two Santa Clara County centers are currently supported through funding from The David and Lucile Packard Foundation through December 2003, and NOVA is assisting the centers to explore other sources of funding in order to continue services once the grant funds have expired. City staff helps these centers offer services to individuals who would otherwise not be eligible through the welfare-to-work regulations. Most of these additional services go to the working poor.

2. This past year NOVA was fortunate to partner with The David and Lucile Packard Foundation to address the urgent needs of a very vulnerable population - displaced working poor families. In partnership with the San Jose/Silicon Valley Workforce Board and several local service agencies, NOVA took the lead to design a program to bring emergency funding for basic expenses such as rent, utilities, and transportation to families whose primary wage earner was laid off. The project was also designed to connect these clients to agencies that could assist with re-employment and to build a better network among the participating agencies. Through this project, 177 families were provided with emergency assistance.

3. Through its H-1B Technical Skills Training grant, NOVA provided high-tech training to individuals from under-represented and low-income communities. Opportunities Industrialization Center West (OICW) was contracted to provide training in several IT career paths, including network administrator, UNIX systems administrator, and database administrator, targeting low income older youth and adults. Evergreen College was contracted to again provide its acclaimed 8-week summer academy training in UNIX systems administration. The training focused on older youth from under-represented communities.

4. NOVA completed another successful year of its Homeless Veterans Reintegration Project. This project, operated out of the VA Medical Center in Menlo Park, outreaches to homeless veterans in Santa Clara County, providing connections to housing and services including assessment, vocational counseling, skills training, job placement, and supportive services. Through its connection with the VA Medical Center, this project is also able to address the many barriers this population faces, including homelessness, medical issues, and substance abuse, therefore leading to long-term employment retention.

F. Leveraging Resources

Federal funds will continue to be leveraged to the maximum amount possible. The City will continue to encourage non-profit developers to seek private and State sources of funding, both grants and loans. Furthermore, as opportunities arise, the City will also use its Housing Fund as appropriate to leverage federal funds. This past year, Moulton Plaza was funded \$992,000 from the Housing Fund. Aside from the City's funding, including HOME and CDBG, Moulton Plaza received funding from CalHFA, the Housing Trust of Santa Clara, Federal Home Loan Bank and Deferred Developer Fees to finance their project.

The City will also request an appropriation of Housing Funds for Plaza de las Flores. This preservation project has received funding commitments from CalHFA.

The City continues to support many human service agencies with money from the General Fund in order to extend the availability of federal funds. Over \$118,000 in General Fund money was allocated this program year to various agencies.

The City of Sunnyvale used various sources for funds for affordable and supportive housing activities in the past year. The City directly had federal funds from the following programs: CDBG, CDBG Revolving Loan Fund, and HOME. The City also supported the County of Santa Clara, County Department of Mental Health, Bill Wilson Center, Emergency Housing Consortium, and the Housing Authority of Santa Clara in their applications for funding under the Supportive Housing Program, Shelter Plus Care and the Family Self-Sufficiency program as well as supporting other organizations in their funding applications.

A number of non-profit agencies provide housing and supportive services in the city. They are partially funded through CDBG funds as well as private and other federal sources. These are described under the individual project.

Geographic Distributions of Funding and Funding in Areas of Minority Concentration

There were no areas of minority concentration nor were there any geographic distributions of funding. All funding was available citywide.

G. Citizen Comments

None received during comment period.

H. Self-evaluation

Despite a sluggish economy, government retrenchment, private sector bankruptcies, specifically in Santa Clara County, significant achievements were accomplished this past year. Foremost is that at the end of the 2003/04 program year the balance of unexpended funds was at 0.41, well below the 1.5 requirement. We begin the new fiscal year at a ratio of 1.41 ten months in advance.

All projects completed June 30, 2004 are at 85.4% of projected goal for 2003-04 of 47 projects. Substantial rehabilitation projects exceeded the goal and are at 113% of projected goal.

Sunnyvale is no longer on HUD's list of communities, which have difficulty spending CDBG entitlement grants. The City will continue to rise to the challenge of ensuring that funds are expended diligently and in a timely manner as it meets its fiduciary responsibilities.

These significant actions by staff through strategy, diligence and teamwork not only addressed the 1.5 statutory requirement, but also addressed its priority housing and community development needs.

Given this particular achievement regarding the expenditure of funds, the City's performance for the program year has continued to meet or at times exceeded the goals that were discussed in the Consolidated Plan's five-year and annual plan. 16.91% of funds was expended on planning/admin activities and 12.17% of funds was expended on public service activities, therefore; the City did not exceed the regulatory caps. For most of the City's direct funding program, both the expenditures and the number of households assisted either met or exceeded the goals in the plan. For HUD reporting, the Integrated Disbursement and Information System (IDIS) has been updated to reflect all activity that occurred in Program Year 2003-2004 and the City will be reporting on an accrual system. The accrual method is used to reflect income as earned and expenses as incurred.

By comparing the households and persons assisted with housing, with the goals set for the reporting period, the City met its goals. In effect, Sunnyvale has been successful in serving a wide range of low to very low-income households with both rehabilitation to homes as well as offering new permanent affordable housing options.

The City of Sunnyvale's Best Practices highlighting CDBG programs and initiatives have been demonstrated for several years through collaborative efforts by housing staffs in Santa Clara County. These joint efforts have streamlined processes, kept information flowing, and cut across territorial lines to produce joint projects. Although there is a wide range of types of jurisdictions (San Jose is the largest City in Northern California and Gilroy still houses a large farmworker population), there are many common regional needs and interests. Representatives of the staffs for Santa Clara County's entitlement cities and urban county meet at least quarterly to review issues common to the CDBG programs of the affected jurisdictions. Representatives of HUD CPD for Region IX attend most of these meetings, resulting in a two-way increase of the accessibility of information in a congenial atmosphere.

The City looks forward to its continuing partnerships with HUD, non-profits, and other local agencies to ensure the continued achievement of the City's immediate and long-range affordable housing and community development goals.

Essentially, the program priorities have not changed from the one-year strategy and the program as designed meets the City's objectives.

Furthermore, to enhance and expand the effectiveness of city programs the following activities were undertaken:

CDBG PROGRAM

PRIORITY NEED-HOUSING

Moderate Rehab/Acquisition

- a. The City's Rehabilitation Loan Program was available citywide. This is a number one priority in the five year Consolidated Plan. This program has completed the substantial rehabilitation of 20 homes throughout the community. 100% of these loans were to low and very low income households. The project also includes paint loans and paint grants which were provided to five homeowners to paint the exterior of their homes. Four emergency loans for emergency repairs were also expended. During the reporting period the City expended \$364,024 towards loans and paint grants under the rehabilitation program.

This program also provided technical assistance regarding rehabilitation needs and the use of CDBG funds to non-profits: Christian Church Homes and First Community Housing.

- b. Another high priority under this category is people with special needs. The Home Access Program was available Citywide and \$33,884 of CDBG funds was expended to retrofit 21 homes for the disabled including the installation of electric lifts to residents of mobile homes.

The funding of the activities under this priority is consistent with the Consolidated Plan's annual plan.

PRIORITY NEED-COMMUNITY DEVELOPMENT

Support Facilities and Services

The City provided funding through CDBG for a number of support services to the elderly, homeless and other persons with special needs.

- **Catholic Charities- Shared Housing** provides a shared housing program to primarily benefit low and very low-income single-parent families. The program is available Citywide. \$13,970 of CDBG funds was expended for this project during the reporting period. Information and referral was provided to 116 households and the program benefited 22 low-income families in shared housing arrangements.
- **Catholic Charities- Long Term Care Ombudsman Program** provides training, assignment, supervision and support of volunteer ombudsmen who act as a voice and advocate primarily for the elderly residents of skilled nursing facilities and residential board

and care homes. Staff and volunteers receive and investigate complaints and educate residents, administrative staff, and the community on resident's rights and abuse issues. During the reporting period, Sunnyvale provided \$13,060 to partially cover costs for providing visits to residential and skilled nursing facilities to serve 771 Sunnyvale clients.

- **Clara Mateo Alliance** provides 59 beds of year round shelter and supportive services for homeless individuals, couples and families who are actively working toward achieving their goals and overcoming homelessness. The emergency and family shelter provided shelter beds to 45 Sunnyvale clients. The agency received \$5,000 in CDBG funds during the program year.
- **Community Association for Rehabilitation (CAR)** provides services to individuals and their families who have developmental and other disabilities. The program is designed for those individuals who cannot obtain services elsewhere due to the severity of their disability. The program includes an infant program, creative recreation program, respite services, a swim center, specialized day care for adults, job training and placement for adults, and outreach and education. The program provided 13,138 service hours to 69 Sunnyvale participants through six separate programs during the program year. Thirteen of the participants received job training. \$4,757 in CDBG funds was provided to the project.
- **Cupertino Community Services (CCS)** provides a ninety-day rotating shelter for homeless single men. The program helps homeless men gain employment and find permanent housing. The shelter provided services to 14 Sunnyvale men this year. Of these, ten found permanent housing and/or permanent jobs. The City, through CDBG funds contributed \$14,670 for the program year.
- **Emergency Housing Consortium of Santa Clara County, Inc. (EHC).** This activity funds a citywide emergency housing service provided by Emergency Housing Consortium of Santa Clara County, Inc., a non-profit organization. EHC provides temporary shelter for single adults and families. Additional services include meals, medical care, substance abuse counseling, referrals for job training, and relocation assistance. Over the past year EHC provided shelter to 223 unduplicated Sunnyvale clients and case management for 447 homeless Sunnyvale residents. Services were located at the Reception Center, Transitional Housing Program and other appropriate EHC shelters. The City funded \$58,720 in CDBG during the reporting period.
- **Friends for Youth-Mentoring** offers one-to-one mentoring services to Sunnyvale youths, matching them with an adult volunteer mentor to help them stay in school and out of trouble. The agency provided services to a total of 26 youths and expended \$13,125 in CDBG during the reporting period.
- **The Health Trust-Meals on Wheels** provides hot meal deliveries to low income seniors and disabled adults. A total of 1,994 meals were served to 13 unduplicated Sunnyvale residents. The City funded \$12,750 in CDBG during the reporting period.
- **Mid-Peninsula Alano Club** received funds in the amount of \$4,508 for the purpose of providing services to the local community seeking recovery from drug, alcohol and other addictions. A total of 233 individuals benefited from this program.

- **Project Match**, a non-profit corporation, provides support services to interview, assess, refer and/or counsel low-income seniors in groups or individually and refer to needed self-care, mutual care, and or professional care services. This program provided 245 staff hours in direct contact with 11 clients living in Project Match homes. The City disbursed \$11,193 in CDBG funds to the project.
- **Second Harvest Food Bank of Santa Clara County** provides funds for weekly food supplements, including fresh fruits, vegetables and packaged foods to low income seniors. The program received \$5,610 from CDBG and provided 15,257 bags of food to 325 households during the reporting period.
- **Senior Adult Legal Assistance (SALA)** provides legal and advocate services for seniors in the community. In 2003/04 Sunnyvale provided \$11,030 in CDBG funds for the program. 194 seniors were assisted with consultation, referral, and legal representation in court or at administrative proceedings.
- **Sunnyvale Senior Nutrition Program** provided 47,559 meals to 379 Sunnyvale low-income seniors and transportation services for those unable to travel independently to the program. The program received \$23,742 from CDBG funds.
- **Sunnyvale Community Services (SCS)** provides emergency assistance to households in crisis by providing food, shelter, clothing, and financial assistance. During the reporting period, Sunnyvale provided CDBG funds of \$77,533. 7,547 residents were assisted with various emergency services from financial assistance to in-kind assistance.
- **Support Network for Battered Women (SNBW)** is a citywide program. This program funds emergency shelter services for people made homeless because of domestic violence. SNBW provided shelter to 14 Sunnyvale residents during the reporting period. 302 residents received legal services and counseling was provided to 1,297 Sunnyvale residents. This program received \$24,000 in CDBG funds from the City. Approximately 13% of the Support Network's services goes to Sunnyvale.

Utilizing CDBG funds, the City provided an overall benefit to 94.39% low-moderate income beneficiaries.

HOME Program Specific Narratives

See Attached

HOME PROGRAM

ANNUAL PERFORMANCE REPORT

HOME Annual Performance Review (APR)

A. Consolidated Plan:

1. Relationship to Objectives

Providing affordable housing for low-income residents is the highest priority identified in the City's five-year Consolidated Plan. The commitment and expenditure of HOME funds in 2003-2004 continues to target this priority and was in line with objectives set forth in the Action Plan: 1) the increase of housing for low income families, seniors, and the disabled through new construction, acquisition, and innovative solutions which support affordable housing and are close to public transportation systems.

Staff completed loan documents and transfer of funds for Moulton Plaza. The project will provide 66 units of permanent affordable rental housing for the next fifty-five years and will be affordable to very low-income families whose annual gross incomes range from 30% to 60% of median income for Santa Clara County. The City expended \$800,000 in HOME funds.

1998, 1999 and 2000 CHDO funds have been set-aside for Charities Housing. Staff continued to support the efforts of Charities Housing to obtain approval by the County to construct new senior rental housing adjacent to the expansion of the County medical clinic on the County owned site. On September 9, 2003, staff prepared a letter of support that was directed to the Board of Supervisors, and met with County staff and City staff to continue to encourage the County to provide for the ability to build the housing at the site. The County Board of Supervisors approved a feasibility study to include housing at the site.

Charities Housing has continued to act and demonstrate to the City its commitment to pursue the development of this site for affordable senior housing. During July 2004, council approved the request by Charities Housing for a pre-development loan that would provide Charities with additional resources to continue to work with the County on the development of housing at the site. The City anticipates that these efforts will result in the development of 80 units of affordable senior housing.

Substantial efforts and City progress towards the completion of the following project is currently underway:

Plaza De Los Flores (Preservation) 100 Units

Negotiations of loan terms for acquisition for preservation between CalHFA and Christian Church Homes are underway and Council approved \$ 973,312 of CDBG and HOME funds. Efforts on this project will continue during 04/05 with final loan negotiations, report to Council for approval of City Housing Funds, preparation of final documents and expenditure of funds.

In an effort to be effective, maintain compliance and provide efficiency in the service delivery of the HOME Program, staff will continue to equip themselves with the necessary training needed and avail themselves to HUD sponsored technical assistance.

2. Distribution of Funds

In the City's Five Year Plan low income renters, homeless, and persons with special needs received a top priority, particularly those with incomes below 50% of the median income for the County. Projects that were encouraged this past year were those which met the Consolidated Plan's top priority. Public comment on the City's Draft Consolidated Plan for 2000-2005 supported these priorities.

B. Private Sector Participation

Federal funds will continue to be leveraged to the maximum amount possible. The City continues to encourage non-profit developers to seek private and State sources of funding, both grants and loans. Moulton Plaza received funding from CalHFA, the Housing Trust of Santa Clara, Federal Home Loan Bank and Deferred Developer Fees to finance their project.

C. CHDO

The most significant accomplishment was the development of a program to encourage non-profit housing development within the neighborhoods outlined in the Community Development Strategy. Staff requested proposals from Community Housing Development Organizations (CHDOs) to engage in activities designed to lead to the development of projects that create affordable homeownership opportunities and preserve rental housing opportunities in three of the City's Multi-Family Neighborhood Action Areas. Staff obtained technical assistance (funded by HUD) to determine the methodology to utilize in order to proceed. Funding to the agencies would be considered CHDO "operating" funds, and this type of funding and activity had not been used by Sunnyvale **or any other jurisdiction within Santa Clara County** for this purpose. The types of projects that were anticipated include; Multi-Family Housing Rehabilitation, acquisition and rehabilitation, including assembly of fourplexes and smaller apartment projects into single ownership, Condominium Conversion, Homebuyer Assistance, and acquisition and construction projects.

D. Affirmative Marketing

Extensive marketing continues for the HOME projects. The Carroll Street Inn, as the largest project, has the most comprehensive marketing program. The waiting list indicates that the outreach efforts have been very successful in contacting various minority communities as well as a broad range of very low income individuals and families in the community. The waiting list continues to grow despite the housing market having a 4.77% vacancy rate in Sunnyvale and similar rate throughout Santa Clara County. Project Match keeps a waiting list of eligible seniors generated from those applying for its shared housing program. The program is advertised in senior centers and other senior service agencies, through local jurisdictions, at hospitals, through the Public Housing Authority and in local newspapers, including those in Spanish and Vietnamese. Orchard Gardens maintains an "expression of interest" list from potential tenants who contacted the property Management Company directly. The company followed its marketing plan of contacting local civic and community organizations representative of the ethnic and cultural diversity of the greater San Jose area in order to disseminate information about the project. Groups representing the disabled and the elderly were also contacted.

E. Minority Outreach

The City continues to support the purpose and goal of fair housing. The City encourages its sub recipients to actively pursue minority participants in its outreach efforts.

F. Tenant Assistance/Relocation

HOME activities this past year did not cause anyone to be displaced from the property.

G. Shortfall Funds

Shortfall funds were not needed this year.

H. Inspection Results

Overall, the units monitored for housing quality standards this past fiscal year were in good condition. The City has contracted with a consultant to perform on-site monitoring of its HOME units. This will ensure that all HOME assisted units continue to meet applicable property standards

APPENDIX A

Public Review of CONPLAN

A public notice was published in the *Sunnyvale Sun* on September 8, 2004 indicating the start of a review and comment period.

PUBLIC COMMENTS

The report was reviewed at the Housing and Human Services Commission meeting of September 22, 2004.

APPENDIX B

APPENDIX C